



VIA EMAIL ONLY

August 31, 2020

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, N.W.
Washington, DC 20551
regs.comments@federalreserve.gov
Docket ID: R-1722; RIN 7100-AF93

Re: Interim Final Rule Regarding Regulation O, Loans to Executive Officers, Directors, and Principal Shareholders of Member Banks; Docket ID R-1722; RIN 7100-AF93

Dear Secretary Misback,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings banks, and savings and loan associations located in communities throughout the State. The Board of Governors of the Federal Reserve System (FRB) published an interim final rule to extend an exception of certain loans that are guaranteed under the Small Business Administration's (SBA's) Paycheck Protection Program (PPP) from the requirements of section 22(h) of the Federal Reserve Act and the corresponding provisions of FRB's Regulation O. WBA appreciates the opportunity to comment on FRB's interim final rule.

On April 17, 2020, FRB issued an interim final rule to except certain loans made by June 30, 2020, that are guaranteed under SBA's PPP from the requirements of the Federal Reserve Act and the corresponding provisions of Regulation O. The Coronavirus Aid, Relief, and Economic Security (CARES) Act specified that the PPP would end on June 30, 2020.

WBA filed a comment letter in support of FRB's April interim final rule as the removal of Regulation O obstacles through the exception has helped allow Wisconsin's banks to more efficiently address the needs of their insider-owned small businesses. FRB's April interim final rule has helped ensure eligible businesses have timely access to liquidity to help overcome economic hurdles resulting from the effects of COVID-19 and the mitigating efforts in effect throughout Wisconsin.

The Prioritized Paycheck Protection Program Act (PPPP Act), signed into law July 4, 2020, extended the PPP to August 8, 2020. FRB issued this interim final rule to extend the exception to apply to PPP loans made through August 8, 2020.

WBA supports the extension and appreciates FRB's actions to provide clarity that PPP loans made by a bank to insider-owned businesses between July 1, 2020 and August 8, 2020, are also excepted from the requirements mentioned above. Without an extension of the exception, WBA fears some auditors and examiners would treat such loans differently than PPP loans made on or before June 30, 2020. Any PPP loan made during the extended



program period must still meet certain eligibility and documentation criteria, and have the same interest rate, payment, and loan term. All eligibility and documentation criteria and all loan terms and program requirements remain exclusively set by SBA and cannot be altered by the lender. Therefore, FRB should extend its exception for PPP loans made through August 8, 2020.

Once again, WBA appreciates the opportunity to comment on the interim final rule.

Respectfully,

A handwritten signature in black ink that reads "Rose Oswald Poels". The signature is written in a cursive, flowing style.

Rose Oswald Poels
President/CEO